

National Energy
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de l'énergie

NewsRelease

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NATIONAL ENERGY BOARD APPROVES SOUTHERN LIGHTS PROJECT

CALGARY — The National Energy Board (NEB) approved applications for the Southern Lights Pipeline Project, worth an estimated \$247.5 million in Canadian spending.

The Southern Lights Project broke new ground as the first application to the NEB for a pipeline to transport diluent, which the Board identified as an emerging market. Diluents are lighter hydrocarbons used to dilute bitumen and heavy oil so they can flow through pipelines.

The applications submitted by Enbridge Southern Lights GP on behalf of Enbridge Southern Lights LP (ESL) and Enbridge Pipelines Inc. (EPI) required NEB approvals for several related project components:

- Transferring ownership of EPI's Line 13 to ESL;
- Removing Line 13 from southbound crude oil delivery service;
- Reversing the flow on Line 13 to carry diluent from the Canada/US border near Gretna, Manitoba, northbound to Edmonton, Alberta;
- Constructing a new 288 kilometre oil pipeline from Cromer, Manitoba to the Canada/US border near Gretna, Manitoba, to transport light sour crude oil;
- Physical changes and alterations to EPI's Line 2; and
- Appropriate tolls and tariffs for shippers to use the pipelines.

The NEB decided that the Southern Lights Project is an innovative and cost-effective solution to transport diluent. The Applicants demonstrated sufficient diluent shipping commitments to ensure the long term viability of the pipeline, and have planned to preserve enough flexibility to allow other shippers to transport diluent to Edmonton without long term contract commitments.

The NEB also found that the planned modifications to Line 2 and the construction of the new light sour crude pipeline will offset the loss of southbound capacity due to removal of Line 13 from crude oil transportation service.

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The NEB found that the proposal to build new facilities on existing EPI sites and right-of-way should minimize negative impacts on area landowners, and also judged that mitigation planned for the construction phase will minimize potential adverse effects, and required the development, in consultation with affected parties, of urban construction plans. A workforce housing plan and a worker code of conduct will also be required to reduce local accommodation burdens during the construction phase. The NEB decided that the Applicants' commitment to work with affected landowners and to carefully track any complaints will further minimize negative impacts of construction and operation.

The NEB will require ESL to conduct an emergency response exercise where Line 13 crosses the South Saskatchewan River.

The NEB determined that ongoing discussions between the Applicants and Aboriginal groups, and a Heritage Resource Discovery Contingency Plan, will minimize potential impacts to traditional use sites, if any are encountered.

The NEB is an independent federal agency that regulates several parts of Canada's energy industry. Its purpose is to promote safety and security, environmental protection, and efficient energy infrastructure and markets in the Canadian public interest, within the mandate set by Parliament in the regulation of pipelines, energy development and trade.

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This news release and the Reasons for Decision are available on the Board's Internet site at www.neb-one.gc.ca under *What's New!*

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